

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
JUNE 30, 2014

TABLE OF CONTENTS

	<u>PAGE</u>
Board of Directors	1
Independent Auditors' Report	2 – 3
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 13
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14 – 15
Schedule of Findings	16 – 19

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
JUNE 30, 2014

BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>EXPIRES</u>
Deb Eastin	President	July 2016
Kathy Wulf	Vice-President	July 2016
Bev Juhl	Secretary	December 2015
Deb Dunn	Treasurer	October 2016
Barb Workman	Board Member	July 2016
Kirby Fueston	Board Member	July 2016
Kathy Fueston	Board Member	August 2015
Julie Reynolds	Board Member	September 2016
Rashel Nixon	Board Member	September 2016
Jacquie Kehoe	Executive Director	Indefinite

# BURKHARDT & DAWSON

## Certified Public Accountants

DONNA R. BURKHARDT, CPA  
LAURA M. DAWSON, CPA

793 North Second Street  
P.O. Box 1065  
Cherokee, Iowa 51012-1065

Tele: 712-225-5755  
Fax: 712-225-5756  
E-mail: [cpa@ncn.net](mailto:cpa@ncn.net)  
[www.burkhardtdawsoncpas.com](http://www.burkhardtdawsoncpas.com)

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Centers Against Abuse and Sexual Assault

We have audited the accompanying Statements of Financial Position of Centers Against Abuse and Sexual Assault (a nonprofit organization) as of June 30, 2014 and 2013, and the related Statements of Activities, Functional Expenses and Cash Flows and the related Notes to Financial Statements for the years then ended.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centers Against Abuse and Sexual Assault as of June 30, 2014 and 2013, and the changes in its net assets and, where applicable, cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2015 on our consideration of Centers Against Abuse and Sexual Assault's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Centers Against Abuse and Sexual Assault's internal control over financial reporting and compliance.

BURKHARDT & DAWSON, CPA's

A handwritten signature in black ink that reads "Burkhardt & Dawson, CPA's". The signature is written in a cursive, flowing style.

Certified Public Accountants

Cherokee, Iowa  
January 21, 2015

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013

ASSETS	2014	2013
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 270,951	\$ 242,582
Certificates of Deposit	22,685	47,861
Receivables - Federal Grants	20,937	43,913
Receivables - State Grants	39,923	48,767
Accrued Interest Receivable	324	323
Health Insurance Tax Credit Receivable	-	699
Prepaid Expenses	6,743	780
TOTAL CURRENT ASSETS	<u>\$ 361,563</u>	<u>\$ 384,925</u>
PROPERTY AND EQUIPMENT:		
Land	\$ 108,000	\$ 108,000
Buildings and Improvements	686,769	666,869
Equipment and Furniture	104,537	59,664
TOTAL	<u>\$ 899,306</u>	<u>\$ 834,533</u>
LESS - Accumulated Depreciation	<u>(336,109)</u>	<u>(311,661)</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 563,197</u>	<u>\$ 522,872</u>
OTHER ASSETS:		
Certificates of Deposit	<u>\$ 113,991</u>	<u>\$ 87,113</u>
TOTAL OTHER ASSETS	<u>\$ 113,991</u>	<u>\$ 87,113</u>
TOTAL ASSETS	<u>\$ 1,038,751</u>	<u>\$ 994,910</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 39,964	\$ 8,391
Accrued Payroll Taxes and Benefits Payable	3,272	3,842
Accrued Salaries Payable	18,242	17,717
Accrued Compensated Absences Payable	6,411	6,763
TOTAL CURRENT LIABILITIES	<u>\$ 67,889</u>	<u>\$ 36,713</u>
NET ASSETS:		
Unrestricted:		
Designated by Board	\$ 98,726	\$ 97,214
Available for Operations	872,136	860,983
TOTAL NET ASSETS	<u>\$ 970,862</u>	<u>\$ 958,197</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,038,751</u>	<u>\$ 994,910</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
PUBLIC SUPPORT AND REVENUES:		
PUBLIC SUPPORT:		
Grants:		
Federal	\$ 246,327	\$ 182,451
State	541,826	197,255
Contributions:		
Local Governments	45,877	39,848
Fundraising Income	39,475	46,815
Other	72,436	65,964
Value of Contributed Services and Materials	174,725	113,863
TOTAL PUBLIC SUPPORT	<u>\$ 1,120,666</u>	<u>\$ 646,196</u>
REVENUES:		
Sales	\$ 54,061	\$ 62,927
Interest	2,110	1,850
Miscellaneous	1,921	168
Health Insurance Tax Credit	-	699
TOTAL REVENUES	<u>\$ 58,092</u>	<u>\$ 65,644</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>\$ 1,178,758</u>	<u>\$ 711,840</u>
EXPENSES:		
Program Services	\$ 1,118,284	\$ 607,292
Supporting Services	47,809	39,881
TOTAL EXPENSES	<u>\$ 1,166,093</u>	<u>\$ 647,173</u>
TOTAL CHANGE IN NET ASSETS	\$ 12,665	\$ 64,667
NET ASSETS - BEGINNING OF YEAR	<u>958,197</u>	<u>893,530</u>
NET ASSETS - END OF YEAR	<u>\$ 970,862</u>	<u>\$ 958,197</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014		
	Program	Supporting	Total
	Services	Services	Program and
			Supporting
Salaries	\$ 426,942	\$ 18,569	\$ 445,511
Payroll Taxes	40,814	1,775	42,589
Fringe Benefits	34,114	1,484	35,598
Total Personnel Expenses	\$ 501,870	\$ 21,828	\$ 523,698
Contributed Services and Materials	174,725	-	174,725
Dues and Subscriptions	470	-	470
Fundraising Expenses	9,778	-	9,778
Insurance	21,504	-	21,504
Supplies	2,375	294	2,669
Postage	843	281	1,124
Printing and Advertisements	2,172	269	2,441
Contracted Services	258,297	-	258,297
Professional Fees	-	13,690	13,690
Rent	12,647	-	12,647
Equipment Rent	4,341	-	4,341
Repairs	8,049	-	8,049
Shelter Expenses	-	-	-
Staff Training	11,959	-	11,959
Telephone	7,563	935	8,498
Travel	31,535	10,512	42,047
Utilities	18,685	-	18,685
Homeless Prevention	2,669	-	2,669
Miscellaneous	24,354	-	24,354
TOTAL EXPENSES BEFORE DEPRECIATION	\$ 1,093,836	\$ 47,809	\$ 1,141,645
Depreciation	24,448	-	24,448
TOTAL EXPENSES	\$ 1,118,284	\$ 47,809	\$ 1,166,093

See accompanying notes to financial statements



2013		
Program Services	Supporting Services	Total Program and Supporting
\$ 317,579	\$ 13,812	\$ 331,391
31,701	1,379	33,080
8,933	388	9,321
<u>\$ 358,213</u>	<u>\$ 15,579</u>	<u>\$ 373,792</u>
113,863	-	113,863
2,411	-	2,411
13,222	-	13,222
16,438	-	16,438
2,634	326	2,960
782	260	1,042
1,076	133	1,209
950	-	950
-	17,365	17,365
9,238	-	9,238
4,392	-	4,392
5,285	-	5,285
253	-	253
1,036	-	1,036
6,827	844	7,671
16,121	5,374	21,495
17,734	-	17,734
10,346	-	10,346
3,394	-	3,394
<u>\$ 584,215</u>	<u>\$ 39,881</u>	<u>\$ 624,096</u>
<u>23,077</u>	<u>-</u>	<u>23,077</u>
<u>\$ 607,292</u>	<u>\$ 39,881</u>	<u>\$ 647,173</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Federal Grants	\$ 269,303	\$ 169,717
Cash Received from State Grants	550,670	180,101
Cash Received from Local Governments	45,877	39,848
Cash Received from Sales	54,061	62,927
Interest Received	2,109	1,873
Other Receipts	1,650	4,587
Donations Received	111,911	112,779
Cash Paid to Employees and Suppliers	(940,737)	(511,382)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 94,844</u>	<u>\$ 60,450</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Capital Assets	\$ (64,773)	\$ (16,681)
Increase in Certificates of Deposits	(1,702)	(1,829)
NET CASH (USED) BY INVESTING ACTIVITIES	<u>\$ (66,475)</u>	<u>\$ (18,510)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 28,369	\$ 41,940
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>242,582</u>	<u>200,642</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 270,951</u>	<u>\$ 242,582</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 12,665	\$ 64,667
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	24,448	23,077
(Increase) Decrease in:		
Accounts Receivable	31,820	(29,888)
Accrued Interest Receivable	(1)	23
Health Insurance Tax Credit Receivable	699	3,720
Prepaid Expenses	(5,963)	(41)
Increase (Decrease) in:		
Accounts Payable	31,573	2,782
Salaries, Payroll Taxes and Benefits Payable	(45)	1,639
Compensated Absences Payable	(352)	(5,529)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 94,844</u>	<u>\$ 60,450</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

During the fiscal years June 30, 2014 and 2013, the Center received numerous donated services and materials that were used in the operations of the shelters.

See accompany notes in financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

REPORTING ENTITY – Centers Against Abuse and Sexual Assault (CAASA) was organized as a nonprofit organization October 11, 1984, to provide services for families in a four county area through assistance of federal, state, and local funds. The Center merged its operations with Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA) located in Cherokee, Iowa effective July 1, 2006. CADA/SA served another four county area. The Executive Director of CAASA became the Executive Director of the new organization for the counties of Buena Vista, Cherokee, Clay, Dickinson, Emmet, Ida, Palo Alto, and Sac counties. A new board was formed from the two prior boards to govern the organization.

The mission of the Center is to eliminate personal, institutional, and societal violence against individuals by empowering victims/survivors and providing supportive programs and services. These services include a 24-hour crisis line, crisis counseling and advocacy for adults and children, support groups for adults and children, shelter, medical and legal advocacy, school outreach and violence prevention programs, community education and information programs, and professional education.

Centers Against Abuse and Sexual Assault is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law which provide tax exemption for corporations organized and operated exclusively for religious, charitable or educational purposes. It is classified by the Internal Revenue Service as other than a private foundation.

The Center's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for nonprofit corporations.

BASIS OF ACCOUNTING – Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements were prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

BASIS OF PRESENTATION – Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Accordingly, the net assets of the Center and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets not subject to donor-imposed stipulations. The Center's Board may designate portions of their unrestricted net assets for specific purposes, projects or investments as an aid in the planning of expenses and the conservation of assets. The Center maintains separate accounts for any designations within the unrestricted net assets and segregates the designated and undesignated portions of the fund within the net assets section of the Statement of Financial Position.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations. The temporarily restricted net assets account for all resources restricted by outside sources which can only be utilized in accordance with the purposes established by the sources of the funds. Generally, the donors of these assets permit the Center to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

**CASH AND CASH EQUIVALENTS** – The Center considers savings accounts and all short term investments with an original maturity of three months or less to be cash equivalents. The Center did not have any of these investments at June 30, 2014 and 2013.

**GRANTS RECEIVABLE** – Grants receivable consists of receivables for federal and state funds awarded to the Center based on services performed.

**PROPERTY AND EQUIPMENT** – Property and equipment is stated at cost. Expenditures for additions and betterments in excess of \$500 are capitalized while expenditures for maintenance and repairs are charged to expense as incurred. The cost of assets retired or sold and the related accumulated depreciation are eliminated from the accounts in the year of disposal, with the resulting gain or loss credited or charged to operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Depreciated costs, estimated lives, and depreciation expense as of and for the years ended June 30, 2014 and 2013 are as follows:

Classes of Assets	Depreciated Costs		Estimated Lives	Depreciation Expense	
	2014	2013		2014	2013
Land	\$108,000	\$108,000	-	\$ -	\$ -
Buildings and Improvements	388,117	385,531	10 - 40	17,314	20,478
Equipment and Furniture	67,080	29,341	5 - 7	7,134	2,599
	<u>\$563,197</u>	<u>\$522,872</u>		<u>\$24,448</u>	<u>\$23,077</u>

CONTRIBUTIONS – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In addition, when a donor restriction is satisfied in the same year the contribution is received, the contribution is shown on the statement of activities as unrestricted support.

The Center accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. The Center also received donations of food and miscellaneous personal items for client use.

CONTRIBUTED SERVICES – A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Value of Contributed Services and an offsetting expense - Contributed Services. Donated services are required to meet match requirements of certain grants. The value of volunteer services recognized are \$173,249 and \$102,368, for the years ended June 30 2014 and 2013, respectively.

CONTRIBUTED MATERIALS – A number of people and groups donate materials for clients in need of assistance. These would typically be purchased if not provided by donation and are recorded at their fair value in the period received. The value of donated materials is reflected in the financial statements as Value of Contributed Materials and an offsetting expense - Contributed Materials. The value of materials recognized are \$1,476 and \$11,495, for the years ended June 30 2014 and 2013, respectively.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

COMPENSATED ABSENCES – Employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. Amounts representing the cost of compensated absences are recorded as a liability and have been computed based on rates of pay in effect at June 30, 2014 and 2013.

ADVERTISING COSTS – Advertising costs are expensed when incurred. Total advertising costs are \$2,441 and \$1,209 for the years ended June 30, 2014 and 2013, respectively.

DATE OF MANAGEMENT'S REVIEW – Management has evaluated subsequent events through January 21, 2015, the date which the financial statements were issued.

USE OF ESTIMATES – The Center uses estimates in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

CONCENTRATIONS – The Center is heavily reliant on federal, state, and local funding.

NOTE 2 – GOVERNMENT ASSISTANCE:

During the years ended June 30, 2014 and 2013, the Center reported the following federal and state government support:

	2014	2013
Federal:		
Victims of Crime Act (VOCA)	\$ 140,144	\$ 106,719
Violence Against Women Act (VAWA)	-	20,645
Family Violence Protection & Services Act (FV)	-	35,905
Sexual Abuse Services Funds (SASP or SF)	54,532	8,990
Integrated Services Project (ISP)	12,000	10,192
Rural Domestic Violence, Dating Violence, Sexual Assault & Stalking Assistance Program (SART)	39,651	-
	<u>\$ 246,327</u>	<u>\$ 182,451</u>
State:		
Domestic Abuse (DA)	\$ 150,000	\$ 99,408
Sexual Abuse (SA)	279,327	61,159
Emergency Solutions Grant (ESG)	-	9,883
Shelter Assistance Fund (SAF)	3,553	13,446
Transition Funds (TF)	68,300	-

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Sexual Violence Prevention (SVP)	21,672	-
Prevent Child Abuse (PCA)	18,974	13,359
	<u>\$ 541,826</u>	<u>\$ 197,255</u>

NOTE 3 – FUNDRAISING:

For the year ended June 30, 2014, four major fundraisers were held in Buena Vista County, Clay County, Emmet County and Cherokee County. The Center held three major fundraising events during the year ended June 30, 2013 in Cherokee County, Buena Vista County and Clay County. Fundraising revenues and expenses for the years ended June 30, 2014 and 2013 were:

	<u>2014</u>	<u>2013</u>
Fundraising Revenues	<u>\$ 39,475</u>	<u>\$ 46,815</u>
Fundraising Expenses	<u>\$ 9,778</u>	<u>\$ 13,222</u>

NOTE 4 – LEASES:

Starting June 1, 2012, the Center renewed leased space for the Storm Lake office under an operating lease. The lease is for three years, and it may be terminated by either party after one year. Rent payments at June 30, 2014 and 2013 are \$6,050 and \$6,800, respectively.

During the fiscal year ended June 30, 2012, the Center leased space for the Cherokee office under an operating lease. The lease is for five years, but it may be terminated by either party upon giving at least 60 days' notice. Rent payments at June 30, 2014 and 2013 are \$2,022 and \$1,938, respectively.

Future minimum lease payments required under the operating leases for the year ended June 30, 2014 are as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>AMOUNT</u>
2015	\$ 7,922
2016	1,872
2017	1,872
Thereafter	-
TOTAL MINIMUM LEASE PAYMENTS	<u>\$ 11,666</u>

On December 15, 2013, the Center paid a deposit and six months of rent for an apartment in Storm Lake. The lease terminated on June 30, 2014; however, the Center

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

continues to rent the apartment on a monthly basis. The Center also rented a storage unit in Cherokee. The operating lease expense at June 30, 2014 and 2013 are \$4,575 and \$500, respectively.

**NOTE 5 – RETIREMENT PLAN:**

The Center maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA), a defined contribution retirement plan, which is available to all employees who have completed one year of service. The Center matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation. The Center's expense relating to matching contributions totaled \$5,139 and \$5,515 for the fiscal years ended June 30, 2014 and 2013, respectively.

**NOTE 6 – BOARD DESIGNATED FUNDS:**

The Board has designated funds of \$98,726 and \$97,214 as of June 30, 2014 and 2013, respectively, for operating contingencies and for the purchase of equipment and building improvements.

**NOTE 7 – RISK MANAGEMENT:**

The Center is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 8 – CONCENTRATION OF RISK:**

The Center maintains accounts at various local financial institutions. Balances in these accounts exceeded the amount covered by FDIC insurance policies at June 30, 2014; however, they were federally insured at June 30, 2013.

**NOTE 9 – SUBSEQUENT EVENT:**

The Center is in the process of selling one of their stores for \$40,000. The sale is contingent on the property being re-zoned as residential.



# BURKHARDT & DAWSON

## Certified Public Accountants

DONNA R. BURKHARDT, CPA  
LAURA M. DAWSON, CPA

793 North Second Street  
P.O. Box 1065  
Cherokee, Iowa 51012-1065

Tele: 712-225-5755  
Fax: 712-225-5756  
E-mail: [cpa@ncn.net](mailto:cpa@ncn.net)  
[www.burkhardtdawsoncpas.com](http://www.burkhardtdawsoncpas.com)

### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of  
Centers Against Abuse and Sexual Assault

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Centers Against Abuse and Sexual Assault, Spencer, Iowa, as of and for the year ended June 30, 2014, and the related notes to financial statements, and have issued our report thereon dated January 21, 2015.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Centers Against Abuse and Sexual Assault's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control. Accordingly, we do not express an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Center's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items A, B, C, D, E and F to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged

with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items G and H to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Centers Against Abuse and Sexual Assault's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **Centers Against Abuse & Sexual Assault's Responses to Findings**

Centers Against Abuse and Sexual Assault's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Centers Against Abuse & Sexual Assault's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Centers Against Abuse and Sexual Assault during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURKHARDT & DAWSON, CPA's

  
Certified Public Accountants

Cherokee, Iowa  
January 21, 2015

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
JUNE 30, 2014

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

- A. SEGREGATION OF DUTIES – One important aspect of internal accounting control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that the cash receipts listing, bank deposits, and the posting of the cash receipts to the cash receipts journal were all performed, at various times, by the same person.

RECOMMENDATION – We recommend the Board evaluate the accounting procedures to obtain the maximum control possible under the circumstances.

RESPONSE – Centers Against Abuse and Sexual Assault has hired a Fiscal Manager that has helped with the process. We have a staff pick up and open the mail and log all checks and donations. They then pass that off to the Fiscal Manager who makes the deposit and then gives the documentation to the Director for review. Once reviewed, the Fiscal Manager maintains these records. Information is shared with the Board on a monthly basis.

CONCLUSION – Response accepted.

- B. ADJUSTMENTS – The general ledger is being maintained by Centers Against Abuse and Sexual Assault but not all of the expenses and activity are being recorded in the correct accounts.

RECOMMENDATION – We recommend printing a general ledger each month and scanning the accounts to review where expenses and activities are being coded.

RESPONSE – Since the hiring of the Fiscal Manager, all errors have been corrected. Going forward all adjustments will be done monthly and will continue to be monitored. Information is shared with the Board on a monthly basis.

CONCLUSION – Response accepted.

- C. GRANTS – Grant claims and reimbursements received are being compared for discrepancies; however, some discrepancies are not being documented. Some

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
JUNE 30, 2014

grant claims and amounts actually collected do not always match. Even though they are aware of this, the documentation is not always included to explain the change. Expense claim reports were not always accumulated correctly from one report to the totals on the next report, especially if reimbursements received had changed.

**RECOMMENDATION** – Grant receipts should be reviewed and any inconsistencies should be resolved. Total receipts for each grant should be compared to the grant award and the amounts claimed on the reimbursement claims filed for the grant year.

**RESPONSE** – Since the hiring of the Fiscal Manager, errors have been corrected. Going forward, Centers Against Abuse and Sexual Assault will continue to monitor and correct areas as needed. Information is shared with the Board on a monthly basis.

**CONCLUSION** – Response accepted.

- D. **GRANT CLAIMS** – Some grant drawdowns were not submitted timely for various grants.

**RECOMMENDATION** – Grant files should include signed and dated drawdown requests. Grant drawdowns should be filed timely in order to obtain reimbursement.

**RESPONSE** – Since the hiring of the Fiscal Manager, errors have been corrected and now are being done in a timely manner. Information is shared with the Board on a monthly basis.

**CONCLUSION** – Response accepted.

- E. **MINUTES** – The board did not document the approval of all material transactions in the minutes.

**RECOMMENDATION** – Even if the board has given the Director approval to reinvest CD's, the Board should still approve all material transactions and have them documented in the minutes.

**RESPONSE** – Going forward these transactions will be shared with the Board and reviewed as they occur and documented in Board minutes.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
JUNE 30, 2014

CONCLUSION – Response accepted.

- F. PAYABLES – Accounts payable are not being recorded during the year or at year end. The bookkeeper prepared year end workpapers, but did not record the accounts payable.

RECOMMENDATION – For Centers Against Abuse and Sexual Assault to have accurate financial information during the year, payables need to be recorded timely.

RESPONSE – In the past this has always been done after the audit. Going forward Centers Against Abuse and Sexual Assault will enter this information prior to the audit.

CONCLUSION – Response accepted.

- G. PURCHASES – Alcohol was charged on the company credit card.

RECOMMENDATION – Governmental entities cannot purchase alcohol.

RESPONSE – This was an error and Centers Against Abuse and Sexual Assault has been reimbursed the amount. No grants were assessed this charge.

CONCLUSION – Response accepted.

- H. CASH – The bank reconciliation does not agree to the general ledger.

RECOMMENDATION – Basic accounting functions should be monitored and performed correctly. Cash and CD balances should be reconciled monthly.

RESPONSE – Since the hiring of the Fiscal Manager, all cash accounts are reconciled every month and CD accounts are reconciled quarterly when statements come from the bank. Centers Against Abuse and Sexual Assault will continue this practice.

CONCLUSION – Response accepted.

- I. CASH – Items more than one year old were outstanding on the bank reconciliation.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
JUNE 30, 2014

RECOMMENDATION – The list of outstanding items on the bank reconciliation needs to be reviewed. Adjustments should be made as necessary. These items could affect grant claims.

RESPONSE – The Fiscal Manager will review the list of outstanding items monthly and make adjustments as needed.

CONCLUSION – Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.